GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4367
ANSWERED ON:21.04.2005
OIL AND GAS DISCOVERIES BY PRIVATE OIL COMPANIES
Jagannath Dr. M.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the leading private sector oil companies, both Indian and foreign have been making exaggerated claims about their oil and gas discoveries in order to rig up stock market prices;

(b) whether twisted and uncertified reserve claims are giving wrong signals to overseas investors; and

(c) if so, the steps taken or being taken by the Government to stall such bogus claims and the action taken against the errant companies?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c) : The Production Sharing Contracts (PSCs) signed between the Government of India and companies (both private Indian and foreign companies included) provide for the procedure for announcement of a hydrocarbon discovery, production testing results etc. PSC contractors are obliged to follow the provisions of the PSCs.

Under the PSCs, commercial discoveries (based on the appraised reserves) are decided upon by the Management Committee, which includes representatives from the Directorate General of Hydrocarbons (DGH) and contractor.

To ensure that all companies follow similar norms / guidelines, the procedure for declaration of the discoveries is being worked out in consultation with the stakeholders concerned.